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# At Last, Facebook Acquires Face.com

Industry sources say Facebook paid \$80-100 million for the Tel Aviv based company.

Inbal Orpaz | Jun 20, 2012 9:13 AM

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After weeks of rumors, Facebook has acquired the Israeli face-recognition start-up Face.com in a deal whose value is variously estimated between \$55 million to \$100 million.

Tel Aviv-based Face.com let the news out on its company blog Facebook has acquired Face.com! after previously declining to confirm reports of talks between the two companies. Facebook said in a statement that the deal allows the company to bring a long-time technology vendor in house.

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Details of the agreement have not been released, but industry sources said it was in the \$80-100 million range that Face.com backers had been expecting. However, according to overseas technology news sites the deal was worth \$55 -60 million in cash and shares. The final price will depend on the value of Facebook stock.

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time. In January 2011, Face.com turned down an acquisition offer of tens of millions of dollars. Meanwhile, it agreed to cooperate, with Facebook reportedly using the Israeli companys face recognition technology.

Facebook uses the technology to scan a users newly uploaded photos, compares faces in the snapshots with previous pictures, then tries to match faces and suggest name tags. When a match is found, Facebook alerts the person uploading the photos and invites them to tag, or identify, the person in the photo.

With Face.com now being acquired, there was no word whether the Israeli start-ups 10-person development team would remain in Israel or move to the United States. Facebook declined to respond to queries from TheMarker in regard to Face.com, saying the transaction has not yet been completed.



The investors behind Face.com are its founders CEO Gil Hirsch, Eden Shochat, Yaniv Taigman and Moti Shniberg. Outside investors include the Russian search engine company Yandex, which holds 18.4% of the company and the Rhodium Fund of Daniel Recanati. Some \$5.3 million was invested in the company since formed in 2009.

Reuters contributed to this report.



Facebook CEO Mark Zuckerberg, center, rings the Nasdaq opening bell from Facebook headquarters in Menlo Park, Calif. on May 18, 2012. Credit: AP

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